

LEGAL TENDER AND FRACTIONAL SILVER COINAGE

*Exchange of notes at Washington June 17, 1946, modifying agree-
ment of June 20, 1904, as modified
Entered into force June 17, 1946*

Department of State files

The Acting Secretary of State to the Panamanian Ambassador

JUNE 17, 1946

EXCELLENCY:

I have the honor to refer to Your Excellency's note of September 21, 1945, regarding the desire of the Government of Panamá to have minted in the United States the sum of one million silver balboas (B/1,000,000) in coin of the following denominations.

B/500,000	in	B/1.00	pieces
225,000	in	0.50	pieces
175,000	in	0.25	pieces
100,000	in	0.10	pieces

In the pertinent decree issued by your Government September 19, 1945, the contemplated issue is motivated by the consideration that an investigation carried out by the Comptroller General's office has shown that there is a scarcity of Panamanian silver money and that a new issue is therefore necessary.

Having regard to the known scarcity of Panamanian silver currency in circulation, the Government of the United States will agree to the contemplated issue in the amount of one million balboas on the understanding that this does not prejudice or modify the conditions and limitations attaching to the issuance of silver currency under the Monetary Agreement of 1904,¹ as modified, although it may be in derogation therefrom to an extent which cannot be determined with accuracy since it is not known what volume of Panamanian silver currency may be in circulation in Panamá on completion of the new issue. It is understood that should it at anytime appear that the amount of Panamanian silver currency in circulation is in excess of \$1,500,000 and that the parity of the coinage with the dollar may be impaired or other

¹ *Ante*, p. 681.

inconvenience is thereby caused in the fiscal operations of the Panamá Canal, the Government of Panamá agrees, when requested by the United States, to reduce the outstanding amount of its silver currency by the amount by which it may be found to be excessive.

Upon receipt of a note confirming this understanding on behalf of the Government of Panamá, the Department of State will be pleased to arrange for the Embassy to consult directly with the appropriate officials of the Department of the Treasury with a view of working out the details for having the coinage undertaken at the Philadelphia Mint.

Accept, Excellency, the renewed assurances of my highest consideration.

DEAN ACHESON
Acting Secretary of State

His Excellency

Señor Doctor J. J. VALLARINO,
Ambassador of the Republic of Panama,
Washington, D.C.

The Panamanian Ambassador to the Acting Secretary of State

D-538

JUNE 17, 1946

EXCELLENCY:

I have the honor to acknowledge the receipt of Your Excellency's note of today's date, reading as follows:

[For text, see above.]

In reply I have the honor to express the agreement of the Government of the Republic of Panamá with the conditions set forth in Your Excellency's note under reference.

Accept, Excellency, the renewed assurances of my highest consideration.

J. J. VALLARINO

His Excellency DEAN ACHESON,
Acting Secretary of State,
Washington, D.C.